

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

IN THE MATTER OF:

CARITEN HEALTH PLAN, INC.

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No.: 07-044

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES

Pursuant to Tenn. Code Ann. § 56-32-215 the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of Cariten Health Plan, Inc. (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2005, the examiner-in-charge filed with the Division, on the 11th day of June, 2007, a verified, written report on examination, and a copy of that report has been sent to the Company. (The Report on Examination of Cariten Health Plan, Inc. is attached hereto and marked as Exhibit A). The Division received a written rebuttal to said examination report from the Company on June 26, 2007. (The written rebuttal is attached hereto and marked as Exhibit B).

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of the Company, filed with the Division the 11th day of June, 2007, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply Tenn. Code Ann. § 56-32-210(c)(5) by implementing a consistent system for responding to all grievances that complies with said rule.
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-203(b)(4) and (c)(1) by updating its HMO's Physicians' Manual and the provider contracts.

3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-32-211 and Tenn. Code Ann. § 56-3-408(b)(1) to ensure no investment or loan is made without authorization by the Board of Directors or a committee appointed by the Board of Directors to supervise such investments or loans.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

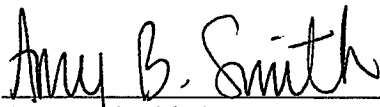
The adoption of this examination report shall not preclude the Department from imposing sanctions against the Company for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report with Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 30th day of June, 2007.

Leslie A. Newman
Leslie A. Newman, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



Amy B. Smith (BPR# 024713)

Staff Attorney

Tennessee Department of Commerce and Insurance

500 James Robertson Parkway

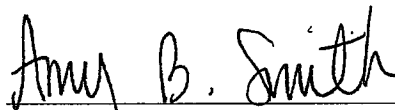
Davy Crockett Tower, Twelfth Floor

Nashville, Tennessee 37243

(615) 532-6830

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, Philip Blustein, Chief Examiner, Department of Commerce and Insurance, and Louise Booth, Financial Affairs Director, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Cariten Health Plan, Inc., 1420 Centerpoint Blvd., Knoxville, TN 37932, on this 10th day of July, 2007.



Amy B. Smith

Certifying Attorney